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C O N F I D E N T I A L SECTION 01 OF 03 TASHKENT 000882

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SUBJECT: WE AGREE TO AGREE: KARIMOV RECEIVES INDIAN PM

REF: TASHKENT 799

Classified By: CLASSIFIED BY DCM BRAD HANSON FOR REASONS 1.4 (B, D).

¶1. (C) Summary: After years of GOU pressure, the Indian PM finally visited Tashkent on April 25-26. The timing was convenient, as President Karimov departed one week later to Pakistan. The PM's visit resulted in numerous agreements, but most lacked substance, according to the Indian DCM. Seven memoranda of understanding (MOU) were signed, spanning gas exploration to education, but working groups must be formed to work out details on most of these. Some real progress was made with expanding information technology (IT) programs and educational/cultural exchanges. The Indians raised concerns about democracy and stability in Afghanistan, to which the Uzbeks replied that they would consider the GOI's suggestions. No progress was made on visa liberalization for Indian businessmen. For Karimov, the importance of the visit is the simple fact that the Indian PM came, bolstering Karimov's strategy to show the world and his domestic audience that Uzbekistan is not isolated and does not need the West. Karimov reportedly railed against the U.S. "betrayal" in the two leader's private meeting. End summary.

¶2. (C) The Indian DCM, Dr. B.M. Vinod Kumar, believes Karimov had two aims in asking the Indian PM to visit at this time. First, Karimov wanted to show that after distancing Uzbekistan from the West and cozying up to Russia and China, he still has bilateral relationships with non-Western countries unassociated with communism. Second, Karimov wanted the visit to occur before his trip to Pakistan in order to play the Indian cooperation card and pressure Pakistan into following through on previous promises, including information sharing on counter-terrorism.

LOTS OF SMALL POTATOES, BUT NO MEAT  
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¶3. (C) As Post's previous report anticipated (reftel), the signed agreements amount to very little. Three MOUs were signed for cooperation in mineral exploration and extraction. The Indian DCM said no details were worked out on these MOUs. Instead, there are tentative plans to form working groups to decide on the details. According to the Indian DCM, the Indian Ministry of Coal and Mines did not agree to sign the MOU with the State Committee for Geology and Mineral Resources until the eve of the visit. The Ministry was skeptical of any tangible results from the MOU, he said, but decided signing it would lock India into future benefits if the two sides eventually do cooperate.

14. (C) The Indian DCM said India's energy policy towards Uzbekistan is a small part a broader policy of reaching out to China, Russia, South Korea, Malaysia, and other Southeast Asian countries to secure energy sources via joint exploration deals. If the MOUs on energy come to fruition, transporting the gas south through Afghanistan poses a large problem. The MOU between India's Ministry of Petroleum and Natural Gas and Uzbekneftegaz lacks details of any kind. The Indian DCM said his PM was able to avoid responding directly to Indian journalists' questions for MOU details at a joint press conference, as there were none. However, Karimov stepped in to announce, to the surprise of his Indian counterpart, that the two sides had agreed to a 50/50 split (Note: Press reports of what will be split range from "extracts" to "energy supplies" and infrastructure. End note.) The press took the statement and ran with it. The Gas Authority of India Ltd. (GAIL) almost did not sign the MOU with Uzbekneftegaz due to lack of information from the Uzbeks. According to the Indian DCM, GAIL, thinking Uzbekneftegaz was a private company, was reluctant to sign the MOU and requested annual reports to gauge investment risk. Uzbekneftegaz said they do not write such reports, but in the end the MOU was signed. (Note: It appears that, at the GOI political level, some last-minute pressuring occurred to convince GAIL to sign. End note.)

15. (C) India is keen on aiding Uzbekistan in education and signed three MOUs to expand its programs. The Indian DCM said the agreement to expand IT education follows an earlier 2004 agreement. India plans to invest one-half to one million USD to supply eight faculty members and advanced computer equipment to a yet-to-be-determined local university. It will also increase the number of Uzbek

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student spots at India's premier IT institute, the Center for Development of Advanced Computers (CDAC). (Note: CDAC developed India's first super computer, according to the Indian DCM. End note.) The Indian DCM said the MOU between Delhi University and the Tashkent State Institute of Oriental Studies will expand existing cooperation to include Hindi classes, Indian faculty members, courses on Indian history, guest lecturers and books on India. Also, the Indian side agreed to assist on entrepreneurial education, but all details remain to be worked out.

16. (C) The Indians will establish a new IT institute in Tashkent, the Jawaharlal Nehru Uzbekistan India Center for IT. This will release about 50 IT slots to non-IT slots for study in India. Currently, 25-30 disciplines are represented in the Indian Technical and Economic Cooperation study program, from rural development to banking, which will expand from 100 to 120 opportunities a year. Most of the programs are three to six months, though some students participate in year-long post-graduate programs.

17. (C) The sixth and seventh MOUs are even more nebulous. The MOU on agricultural research simply states that the two sides are working on its annual work plan for 2007. The Indian DCM said this plan is worked at on the director general level, but was included among the MOUs to give the visit more substance. The last MOU is meant to revive specific industries on a reported Uzbek "sick" industry list. Up to now, said the Indian DCM, the GOU has not named specific units among the "sick" industries, but believes textile units (silk and cotton) will be among them. India is waiting for the GOU to specify the industries and units in order to suggest strategies.

"WE WILL CONSIDER IT"

18. (C) The Indian side raised democracy at the delegation meeting, according to the Indian DCM. (Note: Kumar clearly had not been debriefed on the private meeting between Karimov

and the PM. The Indian DCM's comments appear to be based on the delegation meeting. He was heavily involved on the preparations for the visit. End note.) The PM acknowledged the importance of stability in Uzbekistan, but pointed out that popular participation in institutions and decision-making bodies was essential in promoting stability. He told the GOU that the GOI stands ready to continue its assistance to help build such institutions. The Uzbeks responded with "we will consider it." The Indian DCM noted to the DCM that India has facilitated visits of leaders of Uzbek institutions, such as the Parliament Speaker and Central Elections Commission Chairman to see for themselves Indian democratic institutions.

¶9. (C) Also discussed during the visit was the Uzbek-Indian counter-terrorism working group, which has met only twice. According to the Indian DCM, the information sharing relationship is one-way. To date, the Uzbeks have not shared any intel with the Indians. In contrast, the Indians shared intel in 2005 about two Islamic Movement of Uzbekistan (IMU) members arrested in India and possible IMU activities in the Pakistani portion of Kashmir. Further, it appears the Indians are dissatisfied with the existing arrangement to share information thru the MFA. At the last working group meeting, the Indians asked the Uzbeks to appoint a coordinator for the information-sharing process. So far there has been no response from the Uzbeks.

¶10. (C) India raised its concern for stability in Afghanistan with the Uzbeks and encouraged the GOU to increase efforts to promote stability and development in Afghanistan. The Indian DCM noted to the DCM that in recent years Uzbek activity/interest in Afghanistan has dropped substantially. Kumar also remarked on the lack of Uzbek involvement in regional counterterrorism efforts. (Note: Karimov, at the joint press event, indirectly criticized the U.S. and coalition for alleged lack of progress in dealing with narcotics in Afghanistan. End note.) The Uzbeks responded to the Indian delegation with "we will consider it."

¶11. (C) The Indian DCM also noted that no progress was made on the Indian request to liberalize Uzbek visas for Indian businessmen, diplomats and others. Kumar noted the Uzbek response was exactly the same as in 1993, when PM Rao visited

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Uzbekistan: "we'll examine it."

¶12. (C) U.S. relations with Uzbekistan also came up in the PM's private meeting with Karimov. The Indian Ambassador told our Ambassador that Karimov railed against the U.S. at some length for "betraying" Uzbekistan's efforts to be a good partner on counterterrorism by supporting a "colored revolution" in Uzbekistan.

¶13. (C) Comment: With the incessant GOU pressure on the GOI for this visit (reftel), one might have expected the Uzbeks to place more importance on specific outcomes. However, for Karimov, it was largely to show the world that Uzbekistan is not isolated. The GOU has been courting states throughout Asia\*-South Korea, Malaysia, Thailand, India and Pakistan--to secure agreements on gas exploration, business investment and education exchanges. Most of these agreements lack much substance and are meant only to demonstrate that Uzbekistan has non-Western, democratic "friends" and does not need the West. Uzbekistan is carving its territory up for foreign mineral exploration, with the Russians receiving the prime lots and countries less important to Uzbekistan, like India, receiving only agreements to agree on exploration.

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